



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
**Two Gateway Center**  
**Newark, NJ 07102**  
**www.nj.gov/bpu/**

**CABLE TELEVISION**

IN THE MATTER OF THE ALLEGED FAILURE OF	)	ORDER ACCEPTING
VERIZON NEW JERSEY, INC. TO COMPLY WITH	)	OFFER OF SETTLEMENT
CERTAIN PROVISIONS OF THE NEW JERSEY CABLE	)	
TELEVISION ACT, <u>N.J.S.A. 48:5A-1 et seq.</u> , THE NEW	)	
JERSEY ADMINISTRATIVE CODE, <u>N.J.A.C. 14:17-1.1</u>	)	
<u>ET SEQ.</u> AND <u>N.J.A.C. 14:18-1.1 ET SEQ.</u> , AND	)	
CERTAIN PROVISIONS OF A BOARD ORDER	)	DOCKET NO. CO09080670

(SERVICE LIST ATTACHED)

**BY THE BOARD:**

Verizon New Jersey, Inc. ("Verizon NJ") was granted a System-wide franchise by the Board on December 18, 2006, to provide cable television service to 316 municipalities pursuant to the amendments to the New Jersey Cable Television Act, N.J.S.A. 48:5A-1 et seq. Through subsequent filings as provided in N.J.A.C. 14:18-14.14(a), Verizon NJ is currently authorized to provide service to three hundred sixty-nine (369) municipalities in nineteen (19) counties.

The Board's Office of Cable Television Inspection and Enforcement Bureau (hereinafter the "Office") uncovered a number of alleged violations during the course of a compliance review. The Office served notice of its allegations that Verizon NJ did not conform to certain provisions of the New Jersey State Cable Television Act, N.J.S.A. 48:5A-1 et seq. and the New Jersey Administrative Code, N.J.A.C. 14:17-1.1 et seq. and N.J.A.C. 14:18-1.1 et seq., as more specifically set forth in Attachment 1 (Schedule of Alleged Violations). The aforementioned statutes and regulations require that all cable television providers in New Jersey operate in a manner that protects the rights of the cable consumer.

As a result of correspondence, telephone conversations and settlement conferences between Verizon NJ and the Office, on August 24, 2009, Verizon NJ submitted an Offer of Settlement concerning the claimed non-conforming practices outlined on the attached schedule of the alleged violations. In the Offer of Settlement submitted by Verizon NJ, Verizon NJ did not admit to any violations and made a monetary offer in the amount of \$39,000.00 in order to resolve all issues concerning the violations alleged by the Office.



The Board has reviewed the matter and HEREBY FINDS that the Offer represents a reasonable settlement of the alleged violations. Therefore, the Board HEREBY ACCEPTS the Offer of Settlement proffered by Verizon NJ subject to the following conditions:

1. Verizon NJ shall tender \$39,000.00, payable to Treasurer, State of New Jersey, within fifteen (15) days of the Board's acceptance of the Offer of Settlement.
2. Verizon NJ shall, on an on-going basis, provide verified proof to the Office that all required quarterly and annual notices are sent to customers in accordance with N.J.S.A. 48:5A-26(c), N.J.A.C. 14:18-3.5 and N.J.A.C. 14:18-3.18 in the form of a true copy of the notices sent and proof of mailing the earlier of thirty (30) days of the completion of such notices or ten (10) days following the end of the quarter or annual period for which the notice was sent.
3. Verizon NJ shall provide verified proof, including, where appropriate, certifications of continued compliance, to the Office no later than November 16, 2009, that Verizon NJ identifies on all bills each service for which a separate charge or price is imposed and the rate for each service, as required by N.J.A.C. 14:18-3.7(a) 2. Furthermore, Verizon shall include a statement on the bill message portion of the bill and appearing on the same page as the breakdown of charges, stating that, "All FiOS TV packages include Basic service (\$12.99)" by October 31, 2009.
4. Verizon NJ shall provide verified proof, including, where appropriate, certifications of continued compliance, to the Office no later than November 16, 2009, that appropriate corrective action was implemented as of the date of its Offer of Settlement to ensure that:
  - a. Verizon NJ maintains complete copies of its current schedule showing all prices, rates, terms, conditions of service and non-promotional service packages, including those that are grandfathered and otherwise unavailable to new customers, and disclose same to customers as required by N.J.S.A. 48:5A-11(d), N.J.S.A. 48:5A-36(b), N.J.A.C. 14:18-3.16(a), N.J.A.C. 14:18-3.3 (b) and (d) and N.J.A.C. 14:18-3.4(d).
  - b. Verizon NJ files with the Office written notice of an alteration in channel allocation prior to the effective date for new additions, which do not require rate or price changes, deletions or cutbacks in other services and for all other changes provide notice at least thirty (30) days prior to the effective date, as required by N.J.A.C. 14:18-3.17(a).
  - c. Verizon NJ provides annual notice to its residential customers that, upon written request, notice of disconnection of service will be sent to a designated third party as well as to the customer. Once a customer has made a third party designation, notification of this provision need no longer be provided to that customer, as required by N.J.A.C. 14:18-3.9 (h) and N.J.A.C. 14:18-3.18.
  - d. Verizon NJ provides its customers annual notice of the availability of hearing impaired devices, as required by 47 U.S.C. § 543 (e) (2), N.J.A.C. 14:18-3.14(a) 2 and N.J.A.C. 14:18-3.18(a) 4.



- e. Verizon NJ files with the Office each year within the appropriate timeframe a summary of its finances and operations for the preceding calendar year on forms prescribed and furnished by the Office, as required by N.J.A.C. 14:18-7.1(b).
- f. Verizon NJ files with the Office within the appropriate timeframe financial statements, as required by N.J.A.C. 14:18-7.2, N.J.S.A. 48:5A-34(a) and N.J.S.A. 48:5A-44(c).
- g. Verizon NJ's customers have adequate access to personnel so that customer phone calls are answered within the thirty (30) second hold time no less than ninety (90) percent of the time under normal operating conditions, as required by 47 C.F.R. § 76.309(c) and N.J.A.C. 14:18-7.8(a)2.
- h. Verizon NJ provides evidence of sufficient insurance that insures the Board, all municipalities served by Verizon NJ and Verizon NJ with respect to all liability for any death, personal injury, property damages or other liability arising out of Verizon NJ's construction and operation of its system-wide franchise, as required by N.J.S.A. 48:5A-28(f).
- i. Verizon NJ complies with all terms and conditions of Board Orders and directives issued by this Board and the Director of the Office of Cable Television as required by N.J.S.A. 48:5A-9, and all other applicable State and federal law. Furthermore, Verizon NJ shall provide notice to the Board, the municipality and the Department of the Public Advocate, Division of the Rate Counsel, during normal business hours, no less than 48 hours prior to initiating service in the municipality.

The Office will monitor Verizon NJ or its successor's future notice and filing requirements and procedures as set forth in the State Cable Television Act and the New Jersey Administrative Code.

The Board's acceptance of the Offer of Settlement is for purposes of this proceeding only, addresses only those specific allegations and timeframes in the Offer of Settlement, and shall not be construed as limiting the Board's authority in any other matter affecting Verizon NJ or a successor company or operator.

For purposes of assessing penalties for future offenses by Verizon NJ, their parents, affiliates, subsidiaries and successors that may now or in the future operate the cable television systems that are the subject of this Offer of Settlement, such future offenses shall be considered second, third or subsequent offenses, in accordance with N.J.S.A. 48:5A-51(b).

This Offer of Settlement does not include, and shall not have an impact upon, any party's allegations or claims as they apply to alleged violations of New Jersey's Underground Facility Protection Act, N.J.S.A. 48:2-73 et seq. To the extent that there is a potential for liability on the part of Verizon NJ, its parents, affiliates, subsidiaries, and successors, as a result of alleged Underground Facility Protection Act violations, that liability will remain subject to enforcement or other Board appropriate action.

This Offer of Settlement does not relieve Verizon NJ, their parents, affiliates, subsidiaries and successors, from any liability for violations not specifically enumerated in Attachment 1 or those that occurred after June 30, 2009.

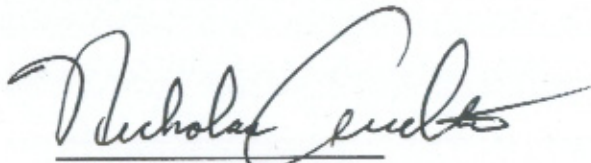
DATED: 9/16/09

BOARD OF PUBLIC UTILITIES  
BY:

  
JEANNE M. FOX  
PRESIDENT

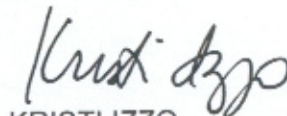
  
FREDERICK F. BUTLER  
COMMISSIONER

  
JOSEPH L. FIORDALISO  
COMMISSIONER

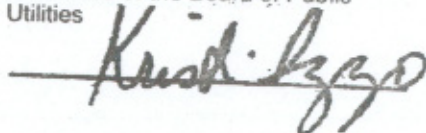
  
NICHOLAS ASSELTA  
COMMISSIONER

  
ELIZABETH RANDALL  
COMMISSIONER

ATTEST:

  
KRISTI IZZO  
SECRETARY

I HEREBY CERTIFY that the within  
document is a true copy of the original  
in the files of the Board of Public  
Utilities





IN THE MATTER OF THE ALLEGED FAILURE OF VERIZON NEW JERSEY, INC. TO  
COMPLY WITH CERTAIN PROVISIONS OF THE NEW JERSEY CABLE TELEVISION ACT,  
N.J.S.A. 48:5A-1 ET SEQ., THE NEW JERSEY ADMINISTRATIVE CODE, N.J.A.C. 14:17-1.1  
ET SEQ. AND N.J.A.C. 14:18-1.1 ET SEQ., AND CERTAIN PROVISIONS OF A BOARD  
ORDER

OFFER OF SETTLEMENT

DOCKET NO. CO09080670

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**ATTACHMENT 1  
SCHEDULE OF ALLEGED VIOLATIONS**

**OFFER OF SETTLEMENT**

**DOCKET NO. CO09080670**

1. Verizon NJ failed to provide customers with adequate information and assure they are served under the most advantageous schedule and demanding different compensation for CATV services, by failing to identify all grandfathered rates for specific equipment ("standard definition DVR", "standard definition home media DVR", "cable card" and "standard set top box") and services ("FiOS TV Premier" and "La Conexión") that were no longer available to new customers and a sales tax provision for equipment in the company's applicable schedule of rates, terms, and conditions, pursuant to N.J.S.A. 48:5A-11(d), N.J.S.A. 48:5A-36(b), N.J.A.C. 14:18-3.3(b) and (d) and N.J.A.C. 14:18-3.4(d) in 2008 and 2009.
2. Verizon NJ failed to identify on all bills each service for which a separate charge or price is imposed and the rate for each service, pursuant to N.J.A.C. 14:18-3.7(a) 2, in 2007.
3. Verizon NJ failed to file with the Office written notice of an alteration in channel allocation prior to the effective date for new additions, which do not require rate or price changes, deletions or cutbacks in other services and for all other changes provide notice at least thirty (30) days prior to the effective date, pursuant to N.J.A.C. 14:18-3.17(a), in 2007 and 2008.
4. Verizon NJ failed to provide its residential customers an annual notice that, upon written request, notice of disconnection of service will be sent to a designated third party as well as to the customer, pursuant to N.J.A.C. 14:18-3.9 (h) and N.J.A.C. 14:18-3.18, in 2008.
5. Verizon NJ failed to provide its customers an annual notice of the availability of hearing impaired devices, pursuant to 47 U.S.C. § 543 (e) (2), N.J.A.C. 14:18-3.14(a) 2 and N.J.A.C. 14:18-3.18(a) 4, in 2008.
6. Verizon NJ failed to file with the Office revised schedule of prices, rates, terms and conditions sheets reflecting any price changes where there is an increase in prices at least 30 days prior to the effective date, pursuant to N.J.A.C. 14:18-3.16(a), in 2009.
7. Verizon NJ failed to file in the required timeframe Form F-99 with the Office, pursuant to N.J.A.C. 14:18-7.1(b), in 2007.
8. Verizon NJ failed to file in the required timeframe financial statements for the local company and stockholder's report or S.E.C. Form 10-K with the Office, pursuant to N.J.A.C. 14:18-7.2, N.J.S.A. 48:5A-34(a) and N.J.S.A. 48:5A-44(c), in 2007.



9. Verizon NJ failed to comply with the FCC Customer Service Standards (thirty (30) second hold time), pursuant to 47 C.F.R. § 76.309(c) and N.J.A.C. 14:18-7.8(a) 2 for the first quarter of 2007 through the first quarter of 2008 and the third quarter of 2008 through the second quarter of 2009.
10. Verizon NJ in December 2006, failed to provide evidence of sufficient insurance that insures the Board, all municipalities served by Verizon NJ and Verizon NJ with respect to all liability arising out of Verizon NJ's construction and operation of its System-wide franchise, pursuant to N.J.S.A. 48:5A-28(f).
11. Verizon NJ failed to comply with the Board's Order granting a System-wide franchise in Docket No. CE06110768, by failing to provide a list of the streets to be included in a line extension policy ("LEP"), or else an indication that all streets will be served, to the Board, the municipality and the Rate Counsel, during normal business hours, no less than forty-eight (48) hours prior to the initiation of service in a municipality in 2007, pursuant to N.J.A.C. 14:17-11.1.

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OFFER OF SETTLEMENT  
N.J. OFFICE OF C.A.T.V.

**WHEREAS**, Verizon New Jersey Inc. ("Verizon NJ") is authorized to operate a cable television system in 369 communities in 19 counties within the State of New Jersey (the "System").

**WHEREAS**, in its capacity as a the operator of the System, Verizon NJ is subject to the jurisdiction of the Board of Public Utilities (the "Board"), Office of Cable Television (the "Office"), pursuant to the provisions of the New Jersey Cable Act, New Jersey Statutes Annotated ("N.J.S.A.") 48:5A-1 et seq. (the "Act") and the New Jersey Administrative Code (the "N.J.A.C."), and Verizon NJ is subject to the lawful provisions of the Act and the N.J.A.C., the duly promulgated orders and directives of the Board and Director of the Office, and all other applicable State and federal law.

**WHEREAS**, N.J.A.C. 14:18-7.8(a)(2) provides that Verizon NJ is subject to the following customer service standard concerning cable television system telephone availability: "Under normal operating conditions, telephone answer time by a customer service representative, including wait time, shall not exceed 30 seconds from when the connection is made. If the call needs to be transferred, the transfer time shall not exceed 30 seconds. These standards shall be met no less than 90 percent of the time under normal operating conditions, measured on a quarterly basis."

**WHEREAS**, the Office contends that Verizon NJ failed to comply with N.J.A.C. 14:18-7.8(a)(2) for 2007, First Quarter, Third Quarter and Fourth Quarter of 2008, and the First Quarter and Second Quarter of 2009.

**WHEREAS**, Verizon NJ contends that it did not violate N.J.A.C. 14:18-7.8(a)(2).



**WHEREAS, N.J.A.C. 14:18-3.7(a)(2) provides that cable bills shall identify “each service for which a separate charge is imposed and the rate or price for each service.”**

**WHEREAS, the Office contends that Verizon NJ failed to comply with N.J.A.C. 14:18-3.7(a)(2) for 2007.**

**WHEREAS, Verizon NJ contends that it did not violate N.J.A.C. 14:18-3.7(a)(2) because Verizon NJ’s bills identified each service for which a separate charge is imposed and the rate or price for each service.**

**WHEREAS, N.J.S.A. 48:5A-11(d) provides that “No CATV company shall derive from the operations of cable television reception service or cable communications systems any revenues other than the fees, charges, rates and tariffs provided for in subsection a. of this section and in subsection g. of section 28 of this act.” N.J.S.A. 48:5A-36(b) provides that “No CATV company shall demand or receive a greater or less or different compensation for providing CATV service than the rates and charges specified in the tariff in effect at the time.” N.J.A.C. 14:18-3.3(b) provides “Each cable television company shall inform its customers, where peculiar or unusual circumstances prevail, as to the conditions under which sufficient and satisfactory service may be secured from its system.” N.J.A.C. 14:18-3.3(d) provides “Every new customer shall be provided with a complete copy of the cable television company’s current schedule of all prices, rates, terms, and conditions applicable to that type of customer, for example, residential, commercial, etc.” N.J.A.C. 14:18-3.4(d) provides “Where more than one schedule of prices, rates, terms and conditions is available to particular customers, each cable operator shall have at all times the duty to assist such customers in the selection of the schedule of prices, rates, terms and conditions most favorable for their individual requirements and to make every reasonable effort to insure that such customers are served under the most advantageous schedule.”**

**WHEREAS**, the Office contends that Verizon NJ failed to comply with N.J.S.A. 48:5A-11(d) and 48:5A-36(b) as well as N.J.A.C. 14:18-3.16(a), 14:18-3.3(b), 14:18-3.3 (d), and 14:18-3.4(d) in 2008 and 2009.

**WHEREAS**, Verizon NJ contends that it did not violate N.J.S.A. 48:5A-11(d) or N.J.S.A. 48:5A-36(b) or N.J.A.C. 14:18-3.16(a), 14:18-3.3(b), 14:18-3.3 (d), or 14:18-3.4(d) because, among other things, a separate statutory provision (N.J.S.A. 48:5A-11(f)) makes clear that the requirement for cable companies to file tariffs does not apply to companies, such as Verizon NJ, that are subject to effective competition.

**WHEREAS**, N.J.A.C. 14:18-3.18(a)(4) provides that each cable television operator shall provide annual notice to each customer of "the availability of devices for hearing impaired as required by 14:18-3.14(a)(2)." N.J.A.C. 14:18-3.14(a)(2) provides that the cable television operator shall provide, upon the request of the customer, "Devices to insure adequate access to cable television service for hearing-impaired persons pursuant to 47 U.S.C. § 543 (e)(2)."

**WHEREAS**, the Office contends that Verizon NJ failed to comply with N.J.A.C. 14:18-3.18(a)(4) and 14:18-3.14(a)(2) in 2008.

**WHEREAS**, Verizon NJ contends that it did not violate N.J.A.C. 14:18-3.18(a)(4) or 14:18-3.14(a)(2) because Verizon NJ customers already have a set-top box that can be used by the hearing impaired, and therefore do not need to be advised of the availability of such boxes.

**WHEREAS**, N.J.A.C. 14:18-3.9(h) provides that "By November 5, 2005, and annually thereafter, each cable television company shall notify all residential customers that, upon written request, notice of disconnection of service will be sent to a designated third party as well as to



the customer. Once a customer has made a third party designation, notification of this provision need no longer be provided to that customer. After the initial notice, notice of this provision may be provided as part of the annual notices required by 14:18-3.18.”

**WHEREAS**, the Office contends that Verizon NJ failed to comply with N.J.A.C. 14:18-3.9(h) in 2008.

**WHEREAS**, Verizon NJ denies that it violated N.J.A.C. 14:18-3.9(h).

**WHEREAS**, N.J.A.C. 14:17-11.1 provides that “Upon the issuance of an order or decision of the Board, the party to whom the same is directed must notify the Board through the Office on or before the date specified in said order or decision whether or not compliance has been made in conformity therewith.”

**WHEREAS**, the Office contends that Verizon NJ failed to comply with N.J.A.C. 14:17-11.1 and the Board’s Order, dated December 18, 2006, in Docket No. CE06110768 regarding notice to municipalities prior to initiation of service in 2007.

**WHEREAS**, Verizon NJ denies that it violated N.J.A.C. 14:17-11.1 or the Board’s Order, dated December 18, 2006, in Docket No. CE06110768.

**WHEREAS**, N.J.S.A. 48:5A-34(a) provides “Such assessment shall be levied not later than July 1, and shall be paid within 30 days after mailing by registered mail to any CATV company of notice thereof and a statement of the amount. Each CATV company shall, on or before June 1, file with the office, under oath, a statement showing its gross operating revenues derived from intrastate operations during the preceding calendar year.” N.J.S.A. 48:5A-44(c) provides that the board may, upon notice, by order in writing require every CATV company “To

furnish periodically a detailed report of finances and operations in such form and containing such matters as the board may from time to time prescribe." N.J.A.C. 14:18-7.1(b) provides "Each cable television company shall file with the Office on or before March 31 of each year a summary of its finances and operations for the preceding calendar year on forms prescribed and furnished by the Office." N.J.A.C. 14:18-7.2 provides "In special instances, cable television companies may be required to submit reports quarterly, monthly or at any other interval as directed by the Board or Office."

**WHEREAS**, the Office contends that Verizon NJ failed to comply with N.J.S.A. 48:5A-34(a) and 48:5A-44(c) as well as N.J.A.C. 14:18-7.1(b) and 14:18-7.2 in 2007.

**WHEREAS**, Verizon NJ denies that it violated N.J.S.A. 48:5A-34(a), N.J.S.A. 48:5A-44(c), N.J.A.C. 14:18-7.1(b) or N.J.A.C. 14:18-7.2 because its system-wide franchise was approved in late December 2006, and consequently Verizon NJ had no revenues to report for the 2006 time period.

**WHEREAS**, N.J.A.C. 14:18-3.17(a) provides "Each cable television company shall file with the Office written notice of an alteration in channel allocation prior to the effective date for new additions, which do not require rate or price changes, deletions or cutbacks in other services. For all other changes the cable television operator must provide notice at least 30 days prior to the effective date. Semi-annually, within 15 days following January 1 and July 1 of every year, each cable television company shall file with the Office an updated channel allocation list, on a form prescribed by the Director."

**WHEREAS**, the Office contends that Verizon NJ failed to comply with N.J.A.C. 14:18-3.17(a) in 2007 and 2008.



**WHEREAS**, Verizon NJ denies that it violated N.J.A.C. 14:18-3.17(a).

**WHEREAS**, N.J.S.A. 48:5A-28(f) provides that each application for a municipal consent or system-wide franchise shall contain "Evidence of sufficient insurance insuring the board, all municipalities served and the applicant with respect to all liability for any death, personal injury, property damage or other liability arising out of the applicant's construction and operation of its CATV system; the sufficiency of which shall be subject to review by the director and approval by the board. Such insurance shall be no less than: (1) \$150,000 for bodily injury or death to any one person, within the limit, however, of \$500,000 for bodily injury or death resulting from any one accident, (2) \$100,000 for property damage resulting from any one accident, and (3) \$50,000 for all other types of liability; the sufficiency of which shall be subject to review by the director and approval by the board."

**WHEREAS**, the Office contends that Verizon NJ failed to comply with N.J.S.A. 48:5A-28(f) in 2006.

**WHEREAS**, Verizon NJ denies that it violated N.J.S.A. 48:5A-28(f) because it timely filed a certificate of insurance covering its system-wide franchise for the time period in question.

**WHEREAS**, it is the desire of the Verizon NJ to expedite the disposition of this matter without a formal proceeding being instituted by the Board or the Office and to avoid the cost and time which would be incurred in the event of litigation of this matter.

**NOW, THEREFORE**, Verizon NJ submits this **OFFER OF SETTLEMENT** as follows:

1. Verizon NJ offers to the Board the sum of \$39,000 payable to the Treasurer, State of New Jersey in lieu of any fines that may have been imposed under the Act for the alleged violations set forth above. This Offer of Settlement is limited to the alleged violations set forth herein, and such payment is conditioned upon the Board's accepting the terms of this Offer of Settlement in its entirety.
2. Verizon NJ shall demonstrate to the Office that it has implemented the following actions within the time periods set forth below:
  - a) Verizon NJ shall maintain complete copies of its current schedule showing all prices, rates, terms, conditions of service and non-promotional service packages, including those that are grandfathered and otherwise unavailable to new customers, and disclose the same to customers. Verizon shall comply with:
    - i. N.J.S.A. 48:5A-11(d), which provides that "No CATV company shall derive from the operations of cable television reception service or cable communications systems any revenues other than the fees, charges, rates and tariffs provided for in [N.J.S.A. 48:5A-11(a) and 48:5A-28(g)]";
    - ii. N.J.S.A. 48:5A-36(b), which provides that "No CATV company shall demand or receive a greater or less or different compensation for providing CATV service than the rates and charges specified in the tariff in effect at the time";
    - iii. N.J.A.C. 14:18-3.16(a), which provides in pertinent part that "If the prices and charges of a cable television operator are not subject to



prior approval by the Board: (1) A cable television company implementing a change in its prices shall file with the Office revised schedule of prices, rates, terms and conditions sheets reflecting any price changes where there is an increase in prices, and shall individually notify each municipality in its service area and each affected customer at least 30 days prior to the effective date. Price decreases shall require advanced notification to the Office, the cable television company's customers and affected municipalities."

- iv. N.J.A.C. 14:18-3.3(b), which provides that "Each cable television company shall inform its customers, where peculiar or unusual circumstances prevail, as to the conditions under which sufficient and satisfactory service may be secured for its system";
- v. N.J.A.C. 14:18-3.3(d), which provides that "Every new customer shall be provided with a complete copy of the cable television company's current schedule of all rates, terms, and conditions applicable to that type of customer"; and
- vi. N.J.A.C. 14:18-3.4(d), which provides that "Where more than [one] rate schedule of prices, rates, terms and conditions is available to particular customers, each cable operator shall have at all times the duty to assist such customers in the selection of the schedule of prices, rates, terms and conditions most favorable for their individual requirements and to make every reasonable effort to insure that such customers are served under the most advantageous schedule."

- b) Verizon NJ shall include a statement on the bill message portion of the bill and appearing on the same page as the breakdown of charges, stating that "All FiOS TV packages include Basic service (\$12.99)" by October 31, 2009. Verizon NJ shall comply with N.J.A.C. 14:18-3.7 (a)(2), which provides that all bills shall identify "each service for which a separate charge or price is imposed and the rate for each service."
- c) Verizon NJ shall comply with N.J.A.C. 14:18-3.17(a), which provides that a "cable television company shall file with the Office written notice of an alteration in channel allocation prior to the effective date for new additions, which do not require rate or price changes, deletions or cutbacks in other services." The regulation also requires that for all other changes, "the cable television operator must provide notice at least 30 days prior to the effective date. Semi-annually, within 15 days following January 1 and July 1 of every year, each cable television company shall file with the Office an updated channel allocation list, on a form prescribed by the Director."
- d) Pursuant to N.J.A.C. 14:18-3.9(h), Verizon NJ shall annually "notify all residential customers that, upon written request, notice of disconnection of service will be sent to a designated third party as well as to the customer. Once a customer has made a third party designation, notification of this provision need no longer be provided to that customer. After the initial



notice, notice of this provision may be provided as part of the annual notices required by N.J.A.C. 14:18-3.18.”

- e) Verizon NJ shall provide its customers annual notice of the availability of hearing-impaired devices, as authorized by 47 U.S.C. §543(e)(2) and pursuant to N.J.A.C. 14:18-3.14(a)(2) and N.J.A.C. 14:18-3.18(a)(4). Specifically, 47 U.S.C. §543(e)(2) provides that nothing in Title 47 shall prohibit a State or a franchising authority from “requiring and regulating the installation or rental of equipment which facilitates the reception of cable service by hearing impaired individuals.” N.J.A.C. 14:18-3.14(a)(2) provides that Verizon NJ shall provide, upon request of the customer, “devices to insure adequate access to cable television service for hearing-impaired persons pursuant to 47 U.S.C. §543(e)(2).” Additionally, N.J.A.C. 14:18-3.18(a)(4) provides that Verizon NJ shall provide annual notice to each customer of the availability of devices for hearing impaired, as required by N.J.A.C. 14:18-3.14(a)(2).
- f) Verizon NJ shall comply with the provisions of N.J.A.C. 14:18-7.1, which provides that “Each certified cable television company shall file with the Office on or before March 31 of each year a summary of its finances and operations for the preceding calendar year on forms prescribed and furnished by the Office.”

- g) Verizon NJ shall comply with N.J.A.C. 14:18-7.2, N.J.S.A. 48:5A-34 and N.J.S.A. 48:5A-44(c) by timely filing with the Office financial statements as required and prescribed by the Office.
- h) Verizon NJ shall comply with the requirements of N.J.A.C. 14:18-7.8(a)(2) and 47 C.F.R. §76.309(c), which states that under normal operating conditions, telephone answer time by a customer service representative, including wait time, shall not exceed 30 seconds from when the connection is made. If the call needs to be transferred, transfer time shall not exceed 30 seconds. These standards shall be met no less than 90 percent of the time under normal operating conditions, measured on a quarterly basis.
- i) Verizon NJ shall provide evidence of compliance with N.J.S.A. 48:5A-28(f). Accordingly, Verizon NJ shall produce evidence of sufficient insurance insuring the Board, all municipalities served and the applicant with respect to all liability for any death, personal injury, property damages or other liability arising out of the applicant's construction and operation of its cable television system.
- j) Verizon NJ shall comply with all terms and conditions of valid Orders issued by the Board and the Director of OCTV. Verizon NJ shall provide notice to the Board, the municipality and the Department of the Public Advocate, Division of the Rate Counsel, during normal business hours, no less than 48



hours prior to initiating service in the municipality, pursuant to the Board's Order in In the Matter of the Application by Verizon New Jersey, Inc. for a Systemwide Cable Television Franchise, BPU Docket No.: CE06110768 (Dec. 18, 2006).

3. Any future repeated violation(s) of the provisions of the Act, regulations or Board Orders that are the subject of this Offer of Settlement shall be deemed a second, third or subsequent violation, as appropriate, pursuant to the provisions of N.J.S.A. 48:5A-51(b), for the purpose of determining the amount of any applicable penalty.
4. The execution of this Offer of Settlement shall neither be deemed an admission by Verizon NJ of any violation of the Act, regulations or any Board Orders nor a determination by the Board or the Office that such a violation has occurred.

DATED:

8/19/2009

Verizon New Jersey Inc.

By:

Richard A. Chapkis

Richard A. Chapkis  
V.P. & G.C.

Verizon New Jersey Inc.